



Memorandum

TO: City Council**FROM:** Mayor Sam Liccardo
Vice Mayor Rose Herrera
Councilmember Margie Matthews
Councilmember Johnny Khamis**SUBJECT:** SEE BELOW**DATE:** June 12, 2015**APPROVED:****DATE:**

Rose Herrera 6/13
Sam Liccardo *Johnny Khamis* *Margie Matthews*
6-12-15

SUBJECT: ACTIONS RELATED TO THE ATTRACTION OF A FLEXIBLE HYBRID ELECTRONICS MANUFACTURING INNOVATION INSTITUTE**RECOMMENDATION**

Approve recommendations outlined in the staff report dated June 5, 2016, regarding attracting a Flexible Hybrid Electronics Manufacturing Innovation Institute (FHE MII) to San Jose.

BACKGROUND

No other area in the country is as uniquely qualified to house the FHE MII than San José. The Silicon Valley hosts more than 10% of US high-tech manufacturing jobs, is headquarters to the largest electronic manufacturing service companies in the world, and boasts the highest number of scientists, engineers and skilled workers in the country. Winning this national competition for the FHE MII will generate many economic benefits as outlined by staff, and will also yield access to low-cost production facilities, new manufacturing technologies, and a trained manufacturing workforce, all which have been high-priority goals of the City's Economic Strategy for over a decade. Moreover, the FHE MII will impact the next generation of advanced electronics manufacturing, and be a catalyst for strong regional, state and national economic growth.

We commend FlexTech Alliance and the City on receiving initial approval of a concept paper presented to the US Department of Defense (DOD) in March 2015. The filing date for submittal of the full proposal is June 19, 2015, and DOD officials are expected to be in San José for a site visit of the facilities on July 9, 2015. We are hopeful that the full proposal will receive positive consideration from the DOD. We also thank Bestronics, Inc., the SJ/SV Chamber of Commerce and other partners for their endorsements of this initiative. The proposed \$400,000 City Capital Equipment Assistance grant will only be effective in the event that the DOD funds the FlexTech proposal, and other conditions as mentioned in the staff report are satisfied.

Council approval will manifest San José's commitment to support manufacturing, and facilitate introduction and scaling of new technologies, in partnership with our federal government.